

CMP227 'Change the G:D split of TNUoS charges, for example to 15:85'



CUSC Panel – 29th May 2015
Alex Thomason, Workgroup Chair

Background

- CMP227 was raised by InterGen on 28th February 2014
- An overview of European transmission tariffs by ENTSO-E showed that out of the 34 countries surveyed, 14 have a generator charge and 20 do not.
- GB now has the highest generator charge at €2.5/MWh.

Proposed CUSC Modification

- CMP227 seeks to change the split of the total TNUoS charges between generation and demand from the current 27:73 to a lower share of charges for generators.
- The proposal aims to level the playing field in Europe in terms of TNUoS charges.
- Intergen's proposal was to use a ratio of 15:85, based on work undertaken during the TransmiT SCR

Workgroup Options

- Workgroup developed and consulted on a range of options:
 - 18.3:81.7 Generation Residual set to zero
 - 15:85 Original Proposal
 - 4.26:95.74 Average transmission charge equivalent to 0.5/MWh
 - 2.1:97.9 Average transmission charge equivalent to Euro 2.5/MWh
 - 0:100
 - Implementation timescales ranging from 12 to 48 months

Workgroup Consultation

- 18 responses received
- Split view on whether proposed changes better meet Applicable CUSC Objectives
- Some respondents support a longer implementation period as generators have contracts in place.

Workgroup Vote

- Original and 5 WACMs confirmed

| Option | Implementation Timescales | | |
|---|---------------------------|-------|-------|
| | 12m | 24m | 36m |
| G:D split fixed at 15:85 | Original | WACM1 | WACM2 |
| G:D split fixed at 4:96 (equivalent to €0.5/MWh at current exch rate) | WACM3 | WACM4 | WACM5 |

- Workgroup voted by majority that WACMs 1, 2 and 5 better facilitate ACO's than baseline
- Majority view that WACM5 better facilitates objectives than the Original proposal
- Split view on best option

Workgroup Conclusions

- Terms of Reference have been met
- Legal text agreed by the Workgroup
- Implementation approach proposed for Original and each WACM

Next Steps

- The Panel is invited to:
 - Accept the Workgroup Report
 - Agree for CMP227 to progress to Code Administrator Consultation

Proposed Timetable

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|--------------------------|--|
| 4 June 2015 | Issue CA Consultation |
| 25 June 2015 | CA Consultation closes |
| 30 June 2015 | Issue draft FMR for comment |
| 7 July 2015 | Deadline for comment |
| 23 July 2015 | CUSC Panel Papers Day |
| 31 July 2015 | Panel vote |
| 3 August 2015 | Issue FMR for final comment |
| 10 August 2015 | Deadline for comments |
| 13 August 2015 | Final Report sent to Authority for decision |
| 18 September 2015 | Indicative 25 day KPI for decision |
| 1 April 2016 | CMP227 Implemented (if approved) |